

**REPORT
Of the
2007 MECHANICAL OVERBURDEN
STRIPPING PROGRAM**

**On
GOLDEN CHALICE RESOURCES**

**PENHORWOOD PROPERTY
PORCUPINE MINING DIVISION,
NORTHEASTERN ONTARIO**



January 27, 2009

J Kevin Montgomery, P. Geo.



SUMMARY

The Penhorwood Property, held by Golden Chalice Resources, is situated 80 km southwest of Timmins, Ontario. It is comprised of 48 unpatented mining claims (9,702 hectares) in Penhorwood Township and Kenogaming Township. It forms part of Golden Chalice Resources Timmins West Project.

A mechanical stripping program exposed several areas of bedrock on claim 4207037 and successfully expanded the rock exposure at a gold showing on claim 4207057. Follow up work consisting of geological mapping and rock channel sampling was carried out by Golden Chalice Resources in 2007. These results are being evaluated by Golden Chalice Resources to determine whether diamond drilling is warranted under the bedrock exposures.

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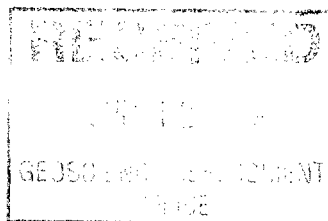
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MAPS (in bucket pocket)

Map 1	Trench Locations- Timmins West – Penhorwood Project
Map 2	Trench 1
Map 3	Trench 2
Map 4	Trench 3 West
Map 5	Trench 3 East
Map 6	Trench 4



INTRODUCTION

The Penhorwood Property is comprised of 48 contiguous unpatented mining claims (600 claim units) covering approximately 9,702 hectares in Penhorwood and Kenogaming Townships. The property is held 100% by Golden Chalice Resources.

Exploration work in 2005 consisted of an airborne magnetic and time domain electromagnetic survey conducted by Geotech Limited, over nearly the entire property. The time domain electromagnetic survey identified numerous clusters of weak to strong conductors. In order to test some of these conductors, a mechanical overburden stripping program was carried out. This exploration occurred from May 27 to June 6, 2007. This overburden stripping program was supervised by George Ross of Timmins.

This report describes the 2007 overburden stripping program on the Penhorwood Property.

PROPERTY LOCATION AND ACCESS

The Penhorwood Property, held by Golden Chalice Resources is located 80 kilometres southwest of Timmins, Ontario (Figure 1). It is comprised of 48 mining claims (600 claim units totalling about 9,702 hectares) that covers northeast and central Penhorwood Township, as well as the west central portion of Kenogaming Township.

The property is readily accessed by motor vehicle from Highway 101 West, The main Kenogaming Timber Road cuts through the eastern portion of the property, Further to the west; a second main gravel road off Highway 101 gives access to the northwest portion of the property. A network of ATV and 4x4 truck trails off these two main gravel roads give further access to the property.

PROPERTY GEOLOGY

The property lies within the Superior Province of Archean basement rocks, in the Eastern Canadian Shield. It is situated in the northeastern part of the Swayze Greenstone belt which appears to be the western extension of the Abitibi Greenstone belt.

The property is predominantly underlain by southwest trending metamorphosed (greenschist) volcanics of the Muskego-Reeves Assemblage ranging from ultramafic to

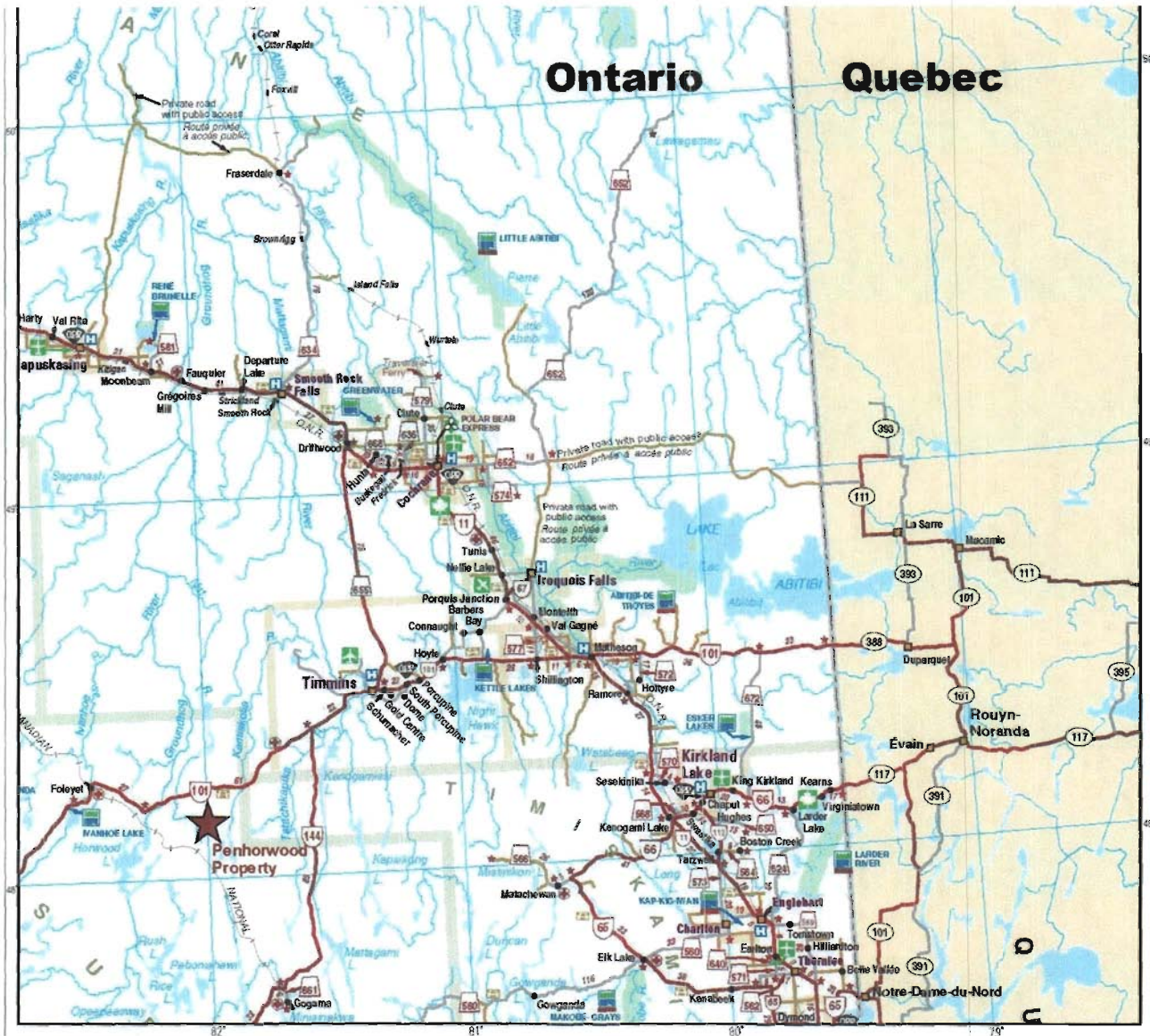


Figure 1 Location Map

felsic. The mafic volcanics are pillowed to massive andesitic or basaltic flows. They are the dominant rock type on the property. Ultramafic volcanic flow units and/or intrusive sills trending east-west occur in the central portion of the property. They are intermixed with the mafic volcanics.

The east central portion of the property is underlain by felsic volcanics of the Hanrahan Lake Complex that extend west from Kenogaming Township. The felsic volcanics are comprised of tuffs, lapilli tuffs, agglomerates and intermediate to felsic flows. They form the core of a major northwest plunging antiform fold. A fairly continuous iron formation known as the Nat River iron formation marks the boundary between the felsic volcanics and the mafic volcanics.

In the northwest portion of the property metasediments occur. These consist of greywackes and conglomerates. The north centre part of the property is underlain by north-south trending ultramafic, mafic and felsic porphyry intrusive units that may be part of a layered complex. These intrusive units are interpreted to be sliced up by a series of northeast trending faults. In the southwest the Kukatush Stock (Biotite hornblende granodiorite) intrudes the volcanics and in the southeast the Kenogamissi Batholith (hornblende and/or biotite bearing granodiorite to tonalite gneiss). Smaller quartz-feldspar and feldspar porphyry intrusive bodies also occur on the property. All the rock types are intruded by late north to north-northwest trending diabase dykes.

Three major faults cross cut the property, the east-west trending Destor-Porcupine, the east-west trending Jehann Lake Fault and the southwest trending Hardiman Bay Fault.

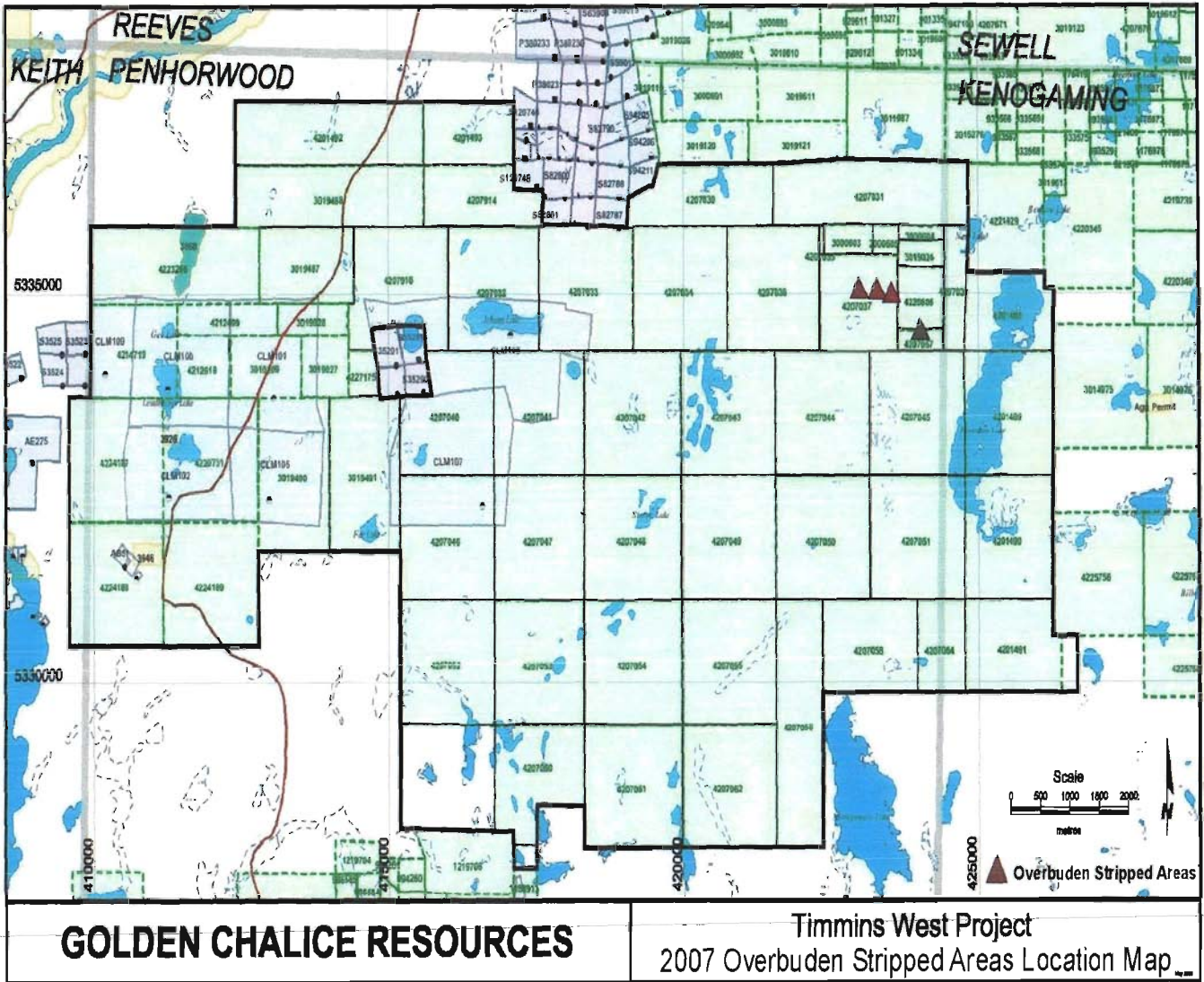
DISCUSSION OF OVERBURDEN STRIPPING

A mechanical stripping program to remove glacial overburden and expose bedrock was conducted on the Penhorwood Property from May 22 to June 6, 2007. This program was carried out on three mining claims: 3010213, 4207037 and 4207057 (see Table 1). Work expenditures will be filed for the mechanical stripping conducted on claims 4207037 and 4207057.

The mechanical overburden stripping was done utilizing a 330 Excavator. This was carried out by Larchex Inc. of Timmins Ontario. All bedrock of interest exposed by the excavator was washed by a high pressure water pump. This was completed by Larchex inc. personnel. The overburden stripping was supervised by Mr. George Ross (517 Spruce St, Timmins, Ontario).

Three areas were stripped in the central portion of claim 4207037 (see Figure 2). This

Figure 2 Trenching Location Map



was done to test the western extension of a sulphidic iron formation exposed on claim 3010213. This work was completed from May 27 to June 4, 2007. The excavator was then moved to claim 4207057 where it stripped overburden from a gold showing in the northeast corner of the claim. This was done on June 5 and June 6, 2007.

Table 1 Penhorwood Project Mechanical Stripping Daily Log

Date	Claim No.	Work Completed	Unit Cost
May 22		Mob to Penhorwood Project	\$475
May 22	3010213	6 hours 330 excavator with operator	\$100/hr
May 23	3010213	12 hours 330 excavator with operator	\$100/hr
May 24	3010213	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
May 25	3010213	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
May 26	3010213	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
May 27	4207037	12 hours 330 excavator with operator	\$100/hr
May 28	4207037	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
May 29	4207037	12 hours 330 excavator with operator	\$100/hr
May 30	4207037	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
May 31		12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
June 1	4207037	12 hours 330 excavator with operator	\$100/hr
June 2	4207037	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
June 3	4207037	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
June 4	4207037	12 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
June 5	4207057	12 hours 330 excavator with operator	\$100/hr
June 6	4207057	6 hours 330 excavator with operator Pump & hose rental 10 hours of washing labour	\$100/hr \$75/day \$40/hr
June 6		Demob to Timmins	\$475

CONCLUSION AND RECOMMENDATIONS

The mechanical stripping program exposed several areas of bedrock on claim 4207037 and successfully expanded the rock exposure at a gold showing on claim 4207057 (see Map 1 in the back of this report). The bedrock exposure areas on claim 4207037 were geologically mapped and rock channel sampled in 2007 (Hartley, 2008). These results are being evaluated by Golden Chalice Resources to determine whether diamond drilling is warranted under the bedrock exposures on claim 4207037.

Expenditures for the mechanical stripping program on the property totalled ~\$22,726 (see Appendix A).

REFERENCES

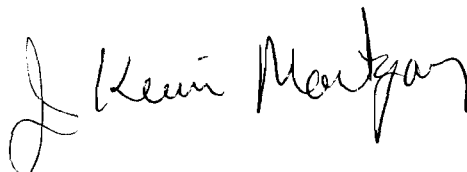
Hartley, C.
2008 Report on Channel Sampling for Golden Chalice Resources, Claim No. 3207037, Penhorwood Property, Penhorwood Township, Porcupine Mining Division, Northeastern Ontario.

CERTIFICATE OF QUALIFICATIONS

I, J. Kevin Montgomery, of the City of Timmins, Province of Ontario, do hereby certify that:

- (1) I am a professional Consulting Geologist, residing at 1190 Lozanne Crescent, Timmins Ontario, P4P 1E8.
- (2) I hold a B.Sc. Honours degree in Geological Sciences (1984) from Queen's University of Kingston, Ontario and a M.Sc.(App.) in Mineral Exploration (1987) from McGill University at Montreal, Quebec.
- (3) I am a registered professional geoscientist with the Association of Professional Geoscientists of Ontario.
- (4) This report is based on my supervision of the trenching on the Penhorwood Property in 2007.
- (5) I have no personal interest in the property covered by this report.
- (6) Permission is granted for the use of this report, in whole or in part, for assessment and qualification requirements but not for advertising purposes.

Dated at Timmins, Ontario
This 27th day of January, 2009.



J. Kevin Montgomery, P.Geo., M.Sc. (App..)

APPENDIX A CERTIFICATE OF EXPENDITURES

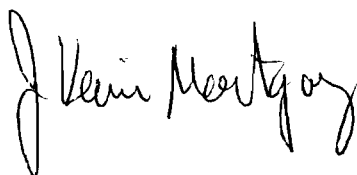
Golden Chalice Resources
 Penhorwood Property
 Overburden Stripping Program
 Porcupine Mining Division
 May 27, 2007 to December 6, 2008

Mechanical Stripping Program Claims 4207037 & 4207057

Field supervisor (10 days)	\$ 3,250.00
Stripping	\$ 17,415.80
Truck Rental (2,000 km @ \$0.40/km)	\$ 800.00
TOTAL	\$ 21,465.80
 Report Writing & Drafting of Maps	 \$ 1,260.00
TOTAL	\$ 22,725.80

Claim 4207037 \$ 18,974
 Claim 4207057 \$ 3,752

Certified by:



Date: January 27, 2009

Note: This certificate has been constructed from the invoices submitted to Golden Chalice Resources.

APPENDIX B Geological Description of Trenched Areas



MAP 2 Trenched Area # 2

UTM
0423185
5337803

UTM
0423193
5335799

Trench A
Sand +
Boulders

SPRUCE
TREES

Sand
+
Granite Boulders

Trench B
Sand +
Gravel

Sand
+
Granite Boulders

Trench C
Sand

UTM
0423187
5334784

UTM
0423202
5334788

UTM
0423222
5334780

UTM
0423238
5334775



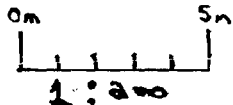
Legend

~ Stripped Area

x x x Trench boundaries

(X) GPS measurement take (UTM Nad83)

Scale



Golden Chalice Resources Inc.
Penhonwood Township
claim # 420 1037

MAP 3 Trench # 2

0423299
5334799

0423310
5334796

0423322
5334193

Golden Chalice Resources
Penhorwood Township
Penhorwood Project
Clim # 420 1037

Sand
+
Gravel

Overburden

IF

IF

IF

IF

Shear

Trench
B

IF

IF

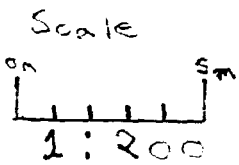
IF
IF

Large
Sand +
Gravel
Mound

UTM

0423318
5334767

UTM
0423298
5334759



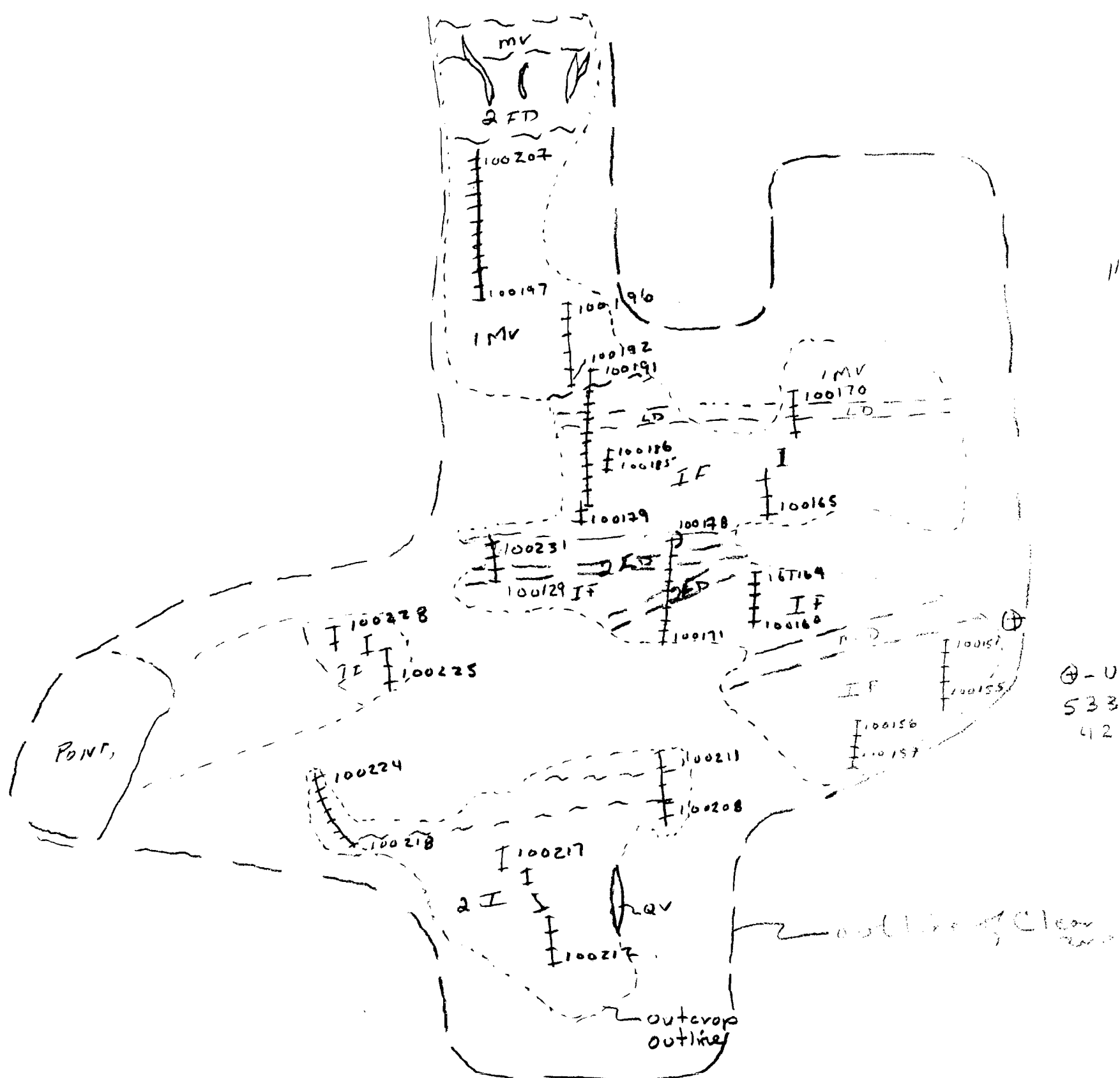
UTM
0423295
5334781

Sand
+
Gravel

Trench
A

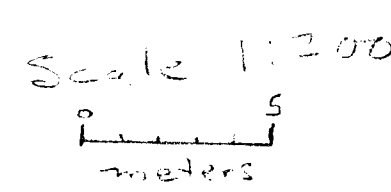
- Legend
- Striped Area
 - GPS measurement taken (UTM 83)
 - Access Road
 - IF Iron Formation
 - Quartz Vein
 - Shear Zone
 - Outcrop Boundaries





⊕ - UTM - Nad 83
 5331824
 423463

Claim 4207037



MAP 4
 TRENCH 3 WEST

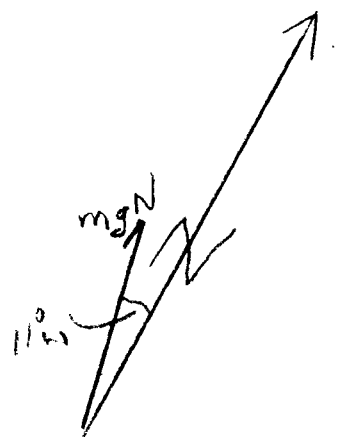
Legend
 Archean

- 1MV - mafic Volcanic
 - MD - mafic dyke
 - LD - lamprophyre dyke
 - ZFD - felsic dyke
 - IF - heavily iron formation
 - ZI - felsic volcanic - to IF
 - - Sog vein
 - ~ ~ ~ - shear contact
- 29 Francois Channel Sample Results / Sample No.



Golden Chance Resources Inc
 Penhorwood Proj
 Penhorwood Twp
 Oct 2007 Drawing by
 CH. HAY

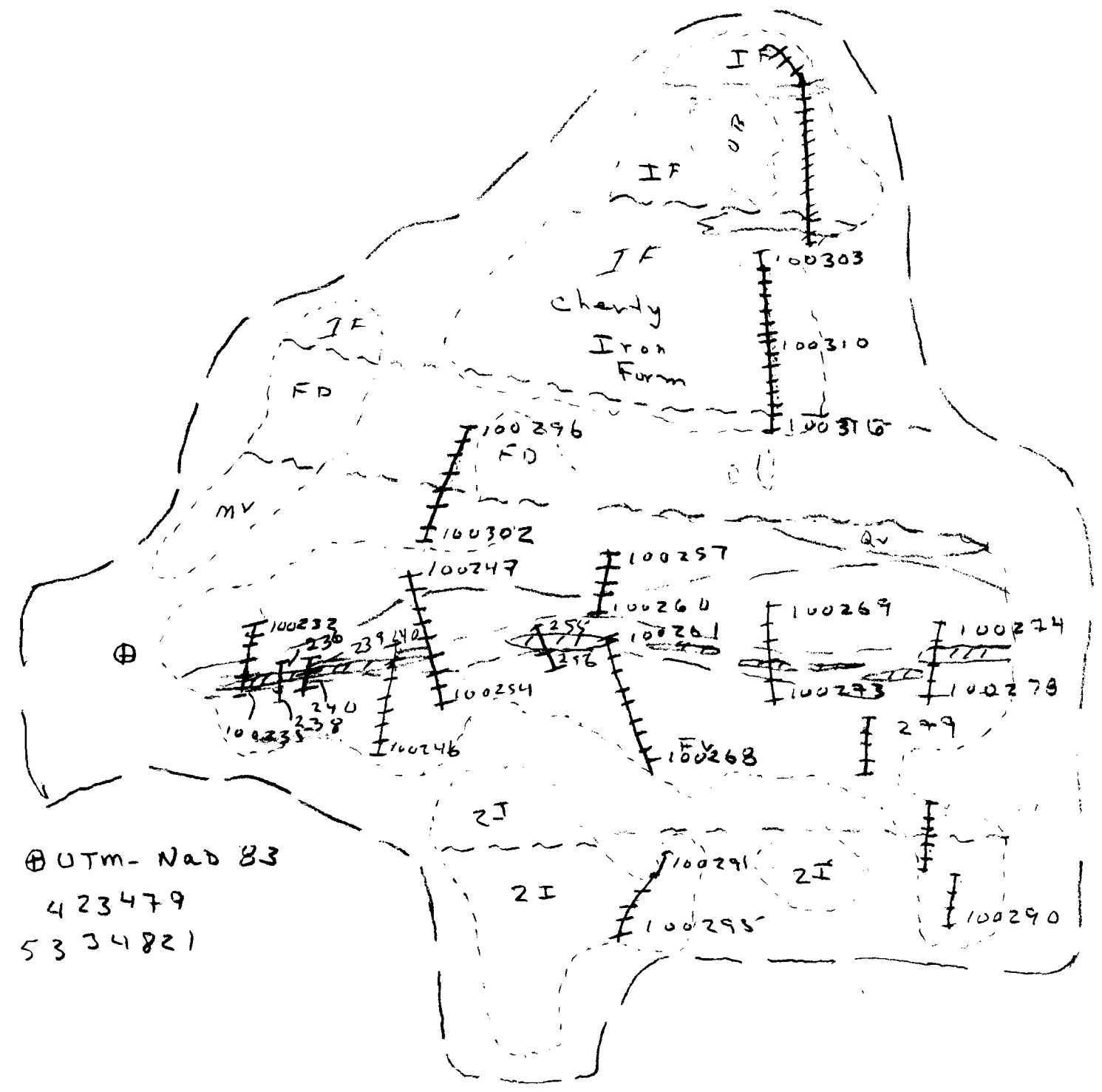
MAP 5
TRENCH 3 EAST

Legend



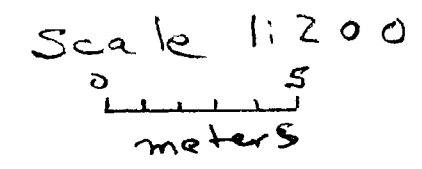
Archean

- 1MV Mafic Volcanic - Basalt
- 1MD Mafic Dyke
- 2I Felsic Volcanic
- FD Felsic Dyke
- IF Cherty Iron Formation
- QU Quartz Vein
- 88 F100274 Channel Sample
Result / sample No.
-  Gossan - sulphide zone
-  Shear contact



⊕ UTM- Nad 83
423479
5334821

Claim 4207037



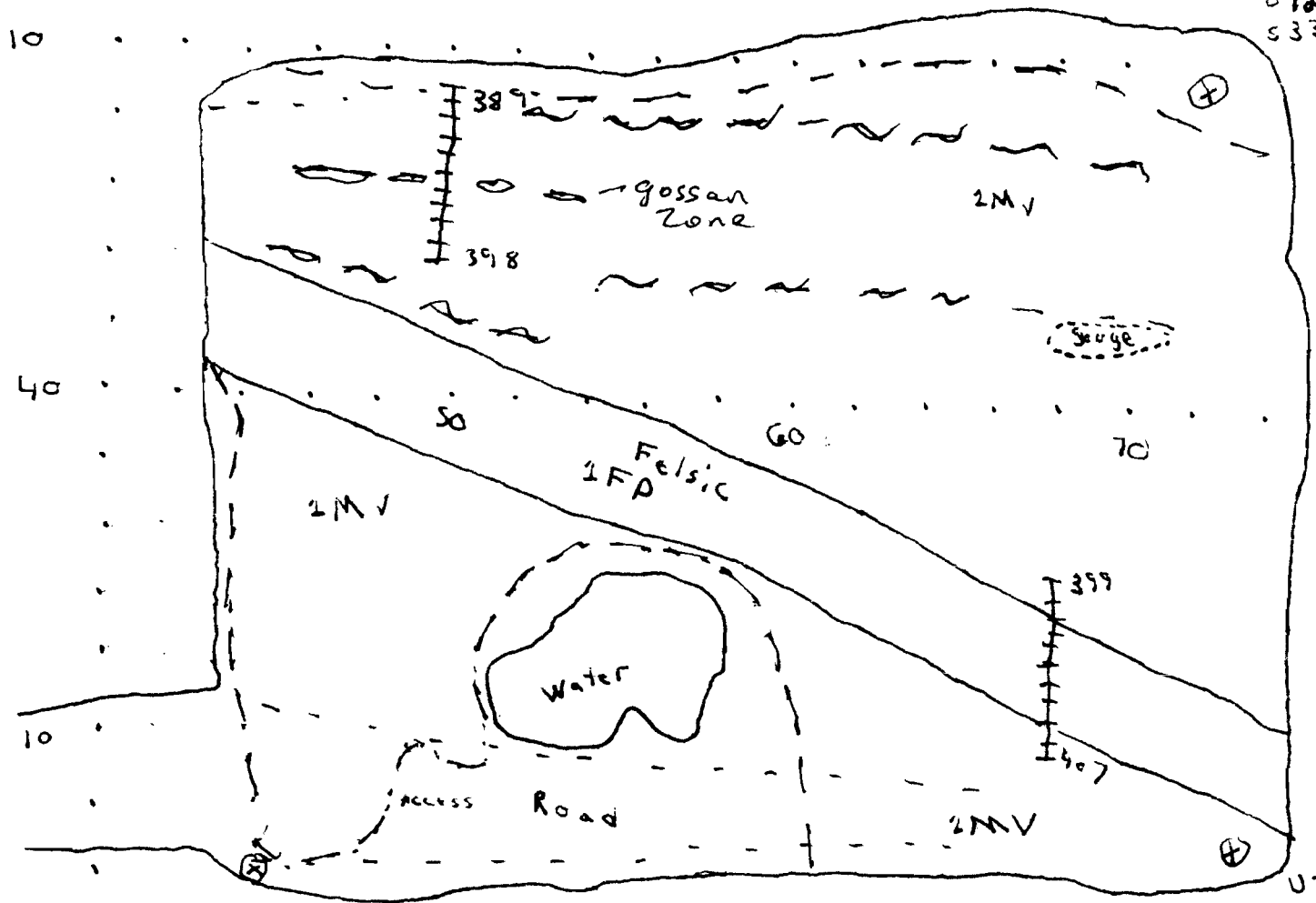
Golden Chalice Resources Inc
Penhorwood Project
Penhorwood Twp
Channel Sampling
Oct/2007 C. Hartley

MAP 6

TRENCH 4



UTM
04242083
5334315

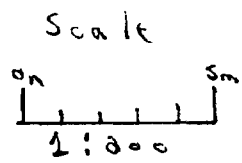


UTM
0424090
5334499

Legend

- Stripped Area
- Outcrop boundary
- Access Road
- shear contacts
- channel sampling
- 1FP Feldspar Porphyry
- 2MV Mafic Volcanic
- ... Flashed Grid

UTM
0424074
5334490



Golden Chalice Resources Inc
Penhollow Township
Claim # 4207057