

Community Fact Sheet

The Julimar Nickel-Copper-PGE Project

Western Australia

Updated February 2021

Key Information

The following suite of fact sheets can be found at the Chalice website:

<https://chalicemining.com/community-julimar-project:>

- Community Fact Sheet
- Environment Fact Sheet
- Drilling Activity Fact Sheet
- Exploration Licence Fact Sheet
- Community Feedback Process



1. Commitment

Chalice Mining aims to uphold the highest corporate, social and environmental standards and recognises the importance of building respectful and inclusive relationships with our Western Australian stakeholders, communities and governing organisations.

Chalice is committed to open communication with the community in which it operates. The Company aims to actively manage the impact of our activities through the continued consideration and response to the interests and concerns of the local community.

2. About Chalice

Chalice is a mineral exploration company, based in West Perth and listed on the Australian Stock Exchange (ASX: CHN). The Company was founded in 2006, is majority owned by Australian investors and has a long track record of effective and responsible mineral exploration in Australia.

3. Project Background

The Julimar Nickel-Copper-Platinum Group Element (PGE) Project is located ~70km north-east of Perth. In March 2020, Chalice made a significant PGE-nickel-copper and cobalt discovery at the Project, named the Gonneville Discovery.

The Project comprises several granted exploration licences over privately-held farmland and the Julimar State Forest (JSF), within the Shire of Toodyay (see Figure 1).

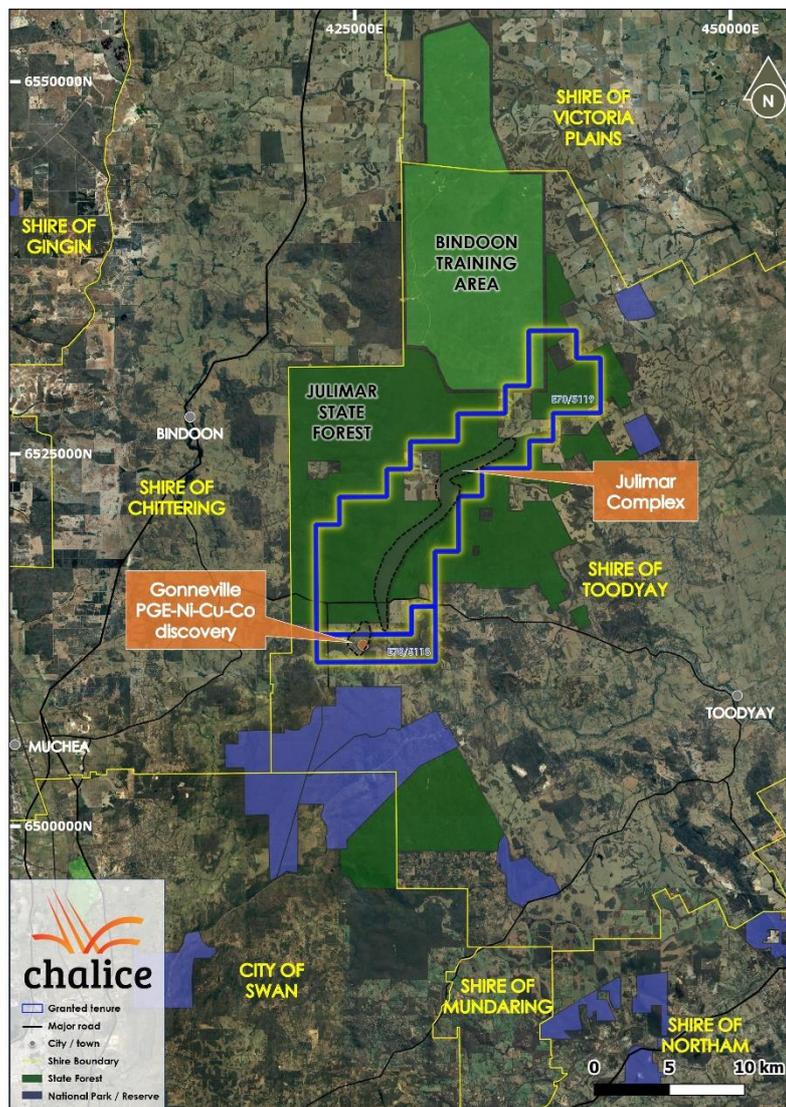


Figure 1. Map of Chalice's granted exploration tenure and surrounding Shires.

4. Mining Project Lifecycle

The following figure (Figure 2) shows a typical timeline for a mining project with several stages of progression. A project only progresses to the next stage if the previous stage is successful. Although some projects advance more quickly than shown, it is rare for a project to get from discovery to a decision to mine in less than 5 years especially if it is located in a new region.

Chalice is currently in the 'Discovery' stage outlined below, where the key goal is to determine if the Julimar Project hosts an economic deposit of minerals.

It is important to note that there are a number of future stages to complete before mining can commence at Julimar, and Chalice anticipates this would take several years.



Figure 2: Typical timeline for a mining project with several stages of progression.

5. Exploration Activities

Chalice is now exploring for nickel, copper, cobalt and PGE's, with the majority of activities to date taking place on private farmland within granted exploration licences.

Current activities on private farmland include exploration drilling (using both reverse circulation and diamond core rigs) and non-ground disturbing exploration (e.g. soil sampling, ground-based geophysics and airborne geophysics).

The Western Australian Minister for Environment and Minister for Mines recently approved initial nonground disturbing, low impact activities on granted Exploration Licences within the JSF.

These exploration activities within the JSF require no clearing or ground disturbance and hence will have negligible impact on vegetation and fauna. The current activities include surface soil sampling and ground based geophysical surveys.

6. Environment

Chalice takes its environmental responsibilities seriously and understands the sensitivities of working within the Avon region.

There are strict regulations governing all exploration and mining activity in Western Australia, and additional rules and regulations on activities within JSF designated areas.

Given this, Chalice has drafted, submitted and received approval for a project specific Conservation Management Plan (CMP). The CMP details Chalice's exploration approach, the identified conservation values of the area and the mitigations and controls which Chalice will adopt to minimise impact.

All activities within the JSF will be strictly governed by the CMP, which has been approved by the Department of Biodiversity, Conservation and Attractions (DBCA), as well as the Minister for Environment and the Minister for Mines.

The approval allows Chalice to conduct low impact, non-ground disturbing exploration activities only, on granted exploration licences located within the Julimar State Forest. This work will be undertaken concurrently with exploration activities on private farmland.

The approved exploration activities within the JSF will require no clearing or ground disturbance and hence will have negligible impact on vegetation and fauna. The activities include surface soil sampling and ground based geophysical surveys. Exploration activities will be completed largely on foot with vehicles restricted to existing tracks. No new tracks will be cleared.

For further information, please refer to our 'Chalice Environmental Fact Sheet' at:

<https://chalicemining.com/community-julimar-project>.

7. Exploration Licences

Before accessing, exploring or drilling on land, all companies must apply for and have granted a mineral exploration licence over the area. The Mining Act, administered by the Department of Mines, Industry Regulation and Safety (DMIRS) governs the licence conditions and relevant processes. In the case of private land, an access agreement with the landowner is also required prior to a company conducting any exploration activities.

Chalice must also receive the necessary permits from DMIRS prior to conducting exploration activities within its granted exploration licences. These permits contain detailed conditions to minimise disturbance and environmental impacts.

Please note that an exploration licence does not allow the holder to conduct any mining activities. A mining licence must be granted for this to occur, a process which can take many years to approve.

If your property falls within the area of an exploration licence, it does not automatically follow that access to your land will be requested. Chalice will contact only those landowners whose land falls within targeted exploration areas, with the vast majority of areas within these exploration licences not affected.

For more information on this topic, please refer to the 'Chalice Exploration Licence Fact Sheet' at:

<https://chalicemining.com/community-julimar-project> and; [Private Land Provisions Fact Sheet](#) published by DMIRS.

8. Stakeholder Engagement

Engagement with external stakeholders commenced during the Company's initial soil sampling program, and subsequently with relevant landowners to acquire access for the current phase of exploration on private land.

Chalice maintains a detailed 'Community Engagement Register' of all stakeholder communications in order to best track project discussions and outcomes, and to support the Company's goal to provide clear and effective communication.

9. How does Chalice communicate with Stakeholders?

We aim to communicate with stakeholders in person where possible. Every effort will be made to meet with the stakeholder at their estate or an appropriate location proximal to the area of proposed work.

There may be occasions where no appropriate company personnel are onsite. In these cases, Chalice welcomes any enquiries via email or phone.

We will respect the rights of all landowners and seek to minimise any potential disturbance associated with our activities as much as possible through the following commitments:

- Provide key information on our exploration activities to local stakeholders.
- Consideration of any social, environmental and economic effects of Chalice’s activities at the local stakeholder level.
- Seek to understand stakeholder values, interests and concerns and address these in a timely manner.
- Ensure our employees and contractors are aware of their obligations with respect to the local community and environment.
- Contribute to the community through local employment opportunities and utilise local contractors and suppliers where possible.
- Communicate effectively through various means, including (in order of preference),
 - one-on-one meetings
 - telephone conversations
 - letter drops
 - email communications
 - newsletter communications
 - local and regional media placements
 - posting on our Company website

This statement is complementary to the regulatory requirements and established procedures governed by the Western Australian [Mining Act 1978](#) (the Mining Act).

10. How will Chalice respond to community concerns?

All community feedback will be carefully considered when deciding how to proceed with exploration programs and all reasonable measures will be made to ensure a satisfactory solution is achieved for all parties.

For further information, please refer to our ‘Community Feedback Information Sheet’ at: <https://chalicemining.com/community-julimar-project>.

11. Contact Us

For more information or to enquire directly with the Company, please contact:

| Staff Name | Position | Contact |
|-------------------------------|-----------------------------------|--|
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