

Environmental 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:](https://chalicemining.com/community-julimar-project)

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



1. Commitment

Chalice is aware of the environmental sensitivities of operating within the Avon region, and takes its environmental responsibilities seriously.

Chalice complies with rigorous standards and governing frameworks, to ensure responsible environmental practices are followed in all its operations.

2. Project Background

The Julimar Nickel-Copper-Platinum Group Elements (PGE) Project comprises several granted exploration licences over privately-held farmland and the Julimar State Forest (JSF).

The majority of activity to date has taken place on private farmland, for which Chalice has acquired the necessary government approvals. Our exploration licences and permits contain stringent conditions to protect the environment.

3. Exploration within the Julimar State Forest

There are strict regulations governing all exploration and mining activity in Western Australia, and additional rules and regulations on activities within State Forest 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 (Figure 1 and 2) 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.



Figure 1 and 2: Chalice staff conducting surface soil sampling in the JSF – a low-impact activity.

The primary purpose of these low impact activities is to effectively assess the mineral potential of a narrow exploration 'corridor' within the JSF (which amounts to less than 20% of the total State Forest area). This corridor was highlighted as prospective by a recent airborne geophysical survey. These activities aim to refine potential target areas of interest within the corridor, which may then be subject to drill testing.

If drilling or further exploration is warranted, a new CMP approval will be required, and the areas of ground disturbance will be reduced as each stage of exploration progresses.

4. Will this affect existing recreational activities in the State Forest?

Julimar State Forest is frequently used by the public for outdoor recreational purposes such as camping, hiking, tourism and 4-Wheel Driving. These activities will not be impacted by Chalice's exploration activities.

The duration of Chalice's low-impact exploration program in any given location is short and will involve a small number of personnel.

5. How does a CMP protect the environment?

The CMP has been prepared in order to identify potential environmental impacts, ensure protection of JSF environmental values, and ensure compliance with all relevant legislation.

The CMP includes detailed information of the flora, fauna, surface water, cultural heritage and recreational uses of the area. Management and mitigation measures are detailed to avoid or minimise adverse impacts on the local environment. This includes avoiding the spread of Dieback and fire prevention measures.

The CMP has been developed in consultation with the Department of Biodiversity Conservation and Attractions (DBCA) and reflects industry best practice and recognised codes of practice.

6. Flora, Fauna and Baseline Surveys

In addition to the CMP, Chalice completed independent flora, fauna, dieback and heritage surveys on the private farming properties it is exploring on. Potential Chuditch and Black Cockatoo habitat were identified (although not confirmed) and will not be disturbed.

Trees with suitable hollows to support Cockatoo breeding will be monitored to better understand birdlife active in the area. This is part of a plan being developed for more extensive ecological studies.

No significant conservation listed flora or Aboriginal heritage sites were identified in the current area of operations on private land.

Additional flora, fauna, heritage and dieback surveys within the JSF are underway and will be completed in 2021. More detailed surveys will be completed prior to drill testing if warranted.

Chalice appreciates that water is a precious resource, and is regularly sampling ground water and surface water on private farmland to establish baseline water quality and levels.

7. Rehabilitation

JSF - There are strict regulations governing rehabilitation of exploration sites in Western Australia. Soil sampling sites will be levelled immediately after collection of samples. No bagged soil samples or other wastes will be left in the JSF.

Private Farmland - All material extracted through drilling (which is currently restricted to private farmland only) is collected either into plastic bags (in the case of reverse circulation drilling) or core trays (in the case of diamond core drilling) for analysis and sampling. Excess waste, drill cuttings and water are captured ensuring that any saline water or rocks containing deleterious minerals do not contaminate the surface.

Following the completion of a drill hole, all waste material is subsequently removed from site and appropriately disposed of and the site rehabilitated. Drill holes are then plugged to prevent any risk of the hole slumping over time.

For further information, please refer to our 'Chalice Drilling Activity Fact Sheet' at:
<https://chalicemining.com/community-julimar-project>.

8. Contact Us

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

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