

Julimar Project Newsletter



Welcome to the fifth issue of the Julimar Project Newsletter

The purpose of this newsletter is to provide regular updates on our Julimar Project, located in the Shire of Toodyay. Chalice is a WA-based exploration company with a long track record of effective and responsible exploration. In 2020, Chalice made a major platinum group element (PGE), nickel, copper, cobalt, gold discovery at the Julimar Project. The Project comprises several granted exploration licences over private farmland and the Julimar State Forest.

Maiden Resource Estimate

Since the initial discovery in March 2020, Chalice's drilling activity has been focussed on defining a maiden Mineral Resource Estimate (MRE or Resource) for the Gonnevillie deposit, located on Chalice-owned private farmland.

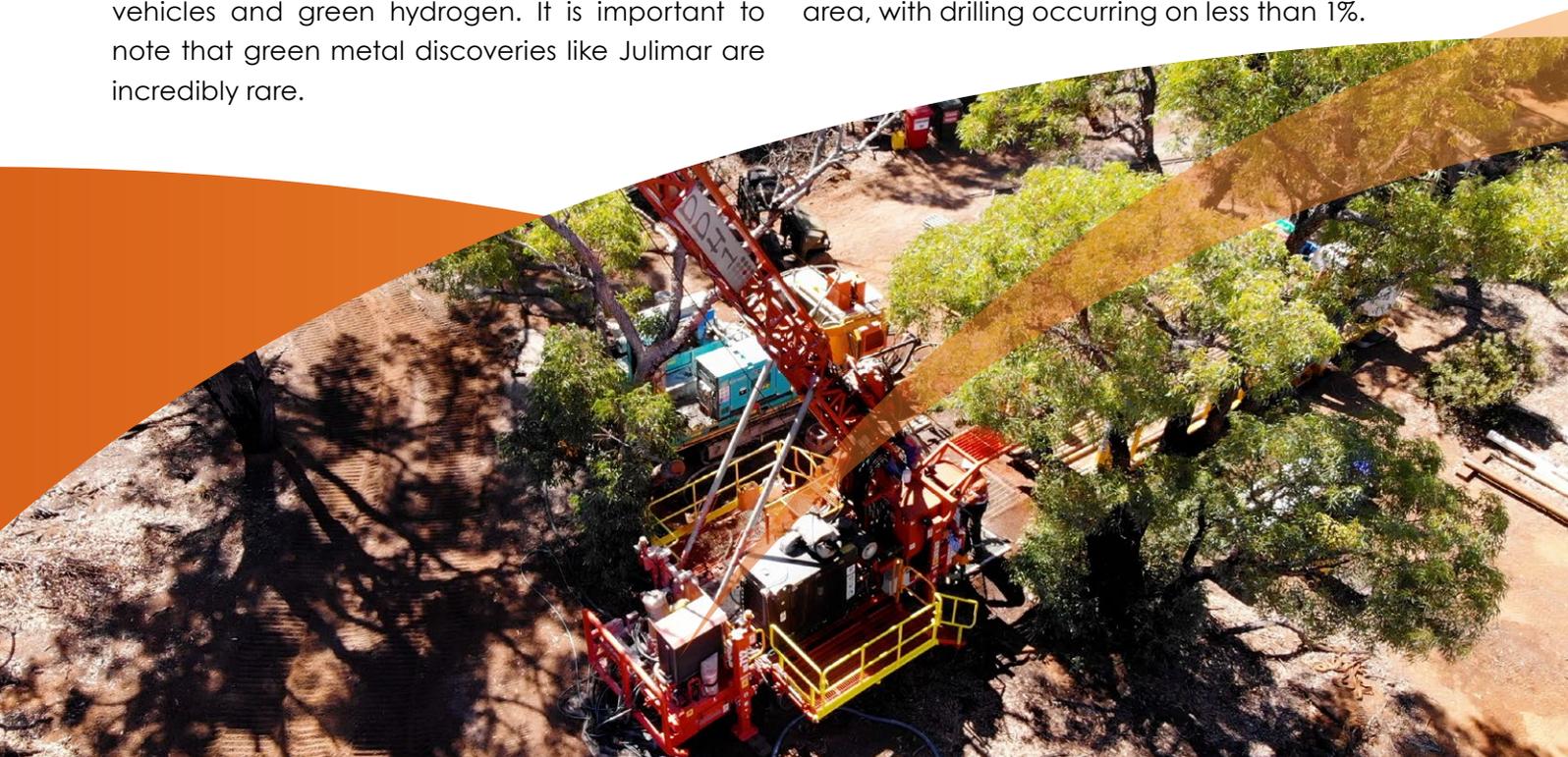
The Resource is the initial step to quantifying the size and quality of the deposit, and is the first of many studies required over the next 3-5 years before a decision to mine can be made.

After ~18 months of drilling, Chalice recently announced the Resource, which has confirmed the project has potential to be a strategic source of critical 'green metals' - metals which are needed to address climate change and decarbonise the global economy through technologies like electric vehicles and green hydrogen. It is important to note that green metal discoveries like Julimar are incredibly rare.

The total resource contains 10 million ounces of palladium, platinum and gold, 530 thousand tonnes of nickel, 330 thousand tonnes of copper and 53 thousand tonnes of cobalt.

The mineralisation discovered on farmland at Gonnevillie is shallow and therefore likely to initially involve some form of open-pit mining. The mining strategy will continue to be developed over the coming years, with open pit and underground mining scenarios continuing to be explored.

No discovery has been made in the Julimar State Forest and, as such, it is unclear at this point whether any mining will ever take place in that area. Importantly, Chalice's current exploration plans are investigating only ~7% of the total forest area, with drilling occurring on less than 1%.



Development Pathway – What's Next?

Typical Development Timeline for a Mining Project



The diagram above shows a typical timeline for a mining project with several stages of progression. Although some projects advance more quickly, it is rare for a project to get from 'Discovery' to a decision to mine in less than five years, especially if it is located in a new region. Chalice is currently in the early period of the 'Feasibility & Permitting' Stage.

Chalice has commenced scoping studies to determine if the discovery can be developed into a feasible mining project. The scoping study is the first of a number of engineering, economic and social studies required during this stage of development.

Scoping studies are carried out early in the life of a resource project. They are based on initial drilling

and informed assumptions, and commonly include preliminary mine plan(s). Scoping studies determine whether, and how much, further pre-development efforts are warranted.

They are not accurate enough to carry out a definitive assessment of the economic viability of a project, but should determine key project risks before advancing to the next stage.

Chalice's initial scoping studies will analyse mine design, processing, infrastructure, logistics and costs as well as environmental and social impacts. Detailed environmental studies will be conducted throughout the 'Feasibility' stage.



Fire Management Over Summer

Chalice has robust fire prevention and response procedures in place related to fire ban and movement ban restrictions ahead of the 2021/22 fire season. Our team will monitor and comply with all notices issued by the Western Australia's Department of Fire and Emergency Services (DFES) and the local Shire.

As part of our commitment to ongoing team training and community support, field staff and contractors also underwent refresher fire training in November.



The 'One-Headed Smokebush' identified during Chalice environmental surveys. Photo: Biologic Environmental Surveys.



Environmental Work

Over the past year, a team of specialist botanists and zoologists have conducted baseline flora and fauna surveys covering an area of over 5,700 hectares in the Julimar region.

The purpose of these ongoing surveys is to identify the biodiversity and conservation value of the area, including identifying populations of threatened and priority species as well as mapping of vegetation types and condition.

In September, Chalice commenced follow-up dieback and confirmatory spring flora surveys in the Julimar State Forest. One threatened species has been identified during the spring flora survey the *Conospermum densiflorum subsp. Unicephalatum*, commonly known as One-Headed Smokebush.

As a direct result of this survey work, Chalice has amended our proposed drill program to avoid this species, including the complete removal of a planned drill site to ensure there is no impact to Smokebush in the area.

Chalice's key environmental work for the Julimar Project over the coming months includes:

- » Design and implementation of baseline surface and groundwater studies
 - a priority focus for Chalice to ensure that water is responsibly managed as a shared resource
- » Continuing baseline flora, fauna and vegetation surveys in the Julimar region
- » Developing our Biodiversity Strategy
- » Noise monitoring
- » Mine rehabilitation and closure

Cultural Heritage Surveys

Yued and Whadjuk Traditional Owners recently completed cultural heritage surveys across the proposed exploration areas. Chalice is now working with Yued and Whadjuk representatives to implement a cultural heritage management plan for the exploration program, one aspect of Chalice's commitment to the ongoing involvement of Yued, Whadjuk and the South West Aboriginal Land and Sea Council in the Julimar Project.



Chalice at the Toodyay Show

Chalice was thrilled to support the recent Toodyay Agricultural Show, held in October which drew record crowds. The Chalice team had a large number of visitors to our information booth, which provided a great opportunity to answer community questions about the Julimar Project. Thank you to all community members who visited our booth and we look forward to the next community event.

Want to learn more?

Sign up to receive this Community Newsletter direct to your inbox by emailing your details to community@chalicemining.com



Chalice's Soo Carney, GM Environment and Community and Amelia Walker, Communications Manager at the Toodyay Show.

Christmas Party and Well Wishes

Chalice is proud to once again sponsor the 2021 Toodyay Christmas Street Party, to be held on Friday 17th December. The Chalice team is looking forward to another wonderful evening of festivities, including roving entertainment, live music, great food and, of course, a visit from Santa!

We are also very excited to be supporting the Toodyay Volunteer Fire and Rescue Service (VFRS) with their Annual Santa Lolly Run on Sunday 19th December. Look out for the Santa Meeting points and the water fight on the VFRS facebook page! A big thank you to the VFRS for their tireless efforts throughout the year.

Chalice would like to wish all members of the local community a happy and safe festive period.



Now Recruiting – Community Relations Advisor

Chalice is looking for a motivated Community Relations Advisor to join our team, working alongside our Community Liaison Manager, Derek Gardener. Based in the local Avon region, this vital 'on the ground' role will be integral to our community engagement for the Julimar Project.

For more information, or to apply please visit: www.seek.com.au/job/54439994?type=standout#searchRequestToken=db06cfb3-ef73-4707-8d08-3d8bbb884a8c



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For more information and fact sheets visit:

www.chalicemining.com/community-julimar-project